Calendar No. 148

101ST CONGRESS *1st Session*	SENATE	REPORT 101-72

NOISE REDUCTION REIMBURSEMENT ACT OF 1989

Mr. HOLLINGS, from the Committee on Commerce, Science, and Transportation, submitted the following

REPORT

OF THE

SENATE COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

ON

H.R. 968

JULY 11 (legislative day, JANUARY 3), 1989.—Ordered to be printed

---

U.S. GOVERNMENT PRINTING OFFICE
29-010 WASHINGTON : 1989

S263-21

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

ERNEST F. HOLLINGS, South Carolina, *Chairman*

DANIEL K. INOUYE, Hawaii	JOHN C. DANFORTH, Missouri
WENDELL H. FORD, Kentucky	BOB PACKWOOD, Oregon
J. JAMES EXON, Nebraska	LARRY PRESSLER, South Dakota
ALBERT GORE, JR., Tennessee	TED STEVENS, Alaska
JOHN D. ROCKEFELLER IV, West Virginia	ROBERT W. KASTEN, JR., Wisconsin
LLOYD BENTSEN, Texas	JOHN McCAIN, Arizona
JOHN F. KERRY, Massachusetts	CONRAD BURNS, Montana
JOHN B. BREAUX, Louisiana	SLADE GORTON, Washington
RICHARD H. BRYAN, Nevada	TRENT LOTT, Mississippi
CHARLES S. ROBB, Virginia	

RALPH B. EVERETT, *Chief Counsel and Staff Director*
WALTER B. MCCORMICK, JR., *Minority Chief Counsel and Staff Director*

Calendar No. 148

101ST CONGRESS
1st Session

SENATE

REPORT
101-72

NOISE REDUCTION REIMBURSEMENT ACT OF 1989

JULY 11 (legislative day, JANUARY 3), 1989.—Ordered to be printed

Mr. HOLLINGS, from the Committee on Commerce, Science, and Transportation, submitted the following

REPORT

[To accompany H.R. 968]

The Committee on Commerce, Science, and Transportation, to which was referred the bill (H.R. 968) to provide for the Federal reimbursement of local noise abatement funds, having considered the same, reports favorably thereon and recommends that the bill do pass.

PURPOSE OF THE BILL

The bill, H.R. 968, amends the Airport and Airway Improvement Act of 1982 to allow reimbursement for costs incurred as part of a federally approved noise program if such costs are incurred after June 1, 1989.

BACKGROUND AND NEEDS

Existing law provides that an airport sponsor cannot receive funding for noise abatement measures unless the airport sponsor receives a grant before the project is undertaken. Constraints in the Federal appropriations process have not permitted the Federal Aviation Administration (FAA) through the Airport Improvement Program (AIP) to fund all noise abatement projects which are ready for implementation. The FAA has approved a number of noise studies and recommendations for noise mitigation at airports; yet the shortage and uncertainty of funding have prevented or delayed expenditure of funds on noise abatement projects. The airport cannot undertake any of the activities without risking its chance for Federal funding of the projects at a later date; thus, af-

fected communities continue to be afflicted by noise until funding is made available through an AIP grant.

This bill would permit airport sponsors to use their own funds to proceed with federally approved noise abatement projects with the hope of obtaining reimbursement from the FAA later when funds are approved. Only costs incurred after June 1, 1989, would be eligible. There is no guarantee of reimbursement, but the legislation would provide increased flexibility to the FAA and would allow relief to those airports and communities that can commit their own funds to noise abatement.

Legislative History

H.R. 968 was introduced by Representative Clement on February 9, 1989. It was amended and reported by the House Committee on Pubic Works and Transportation and passed the House by voice vote on May 16. After referral to the Senate Committee on Commerce, Science, and Transportation, the bill was considered in an open executive session on June 20, 1989, and reported without objection on that date.

A companion measure, S. 376, was introduced February 8 by Senator Gore and cosponsored by Senator Sasser.

Summary of Major Provisions

The legislation would allow Federal reimbursement for costs incurred as part of a federally approved noise program if such costs are incurred after June 1, 1989.

Estimated Costs

In accordance with paragraph 11(a) of rule XXVI of the Standing Rules of the Senate and section 403 of the Congressional Budget Act of 1974, the Committee provides the following cost estimate, prepared by the Congressional Budget Office:

U.S. Congress,
Congressional Budget Office,
Washington, DC, June 20, 1989.

Hon. Ernest F. Hollings,
Chairman, Committee on Commerce, Science and Transportation, U.S. Senate, Washington, DC.

Dear Mr. Chairman: The Congressional Budget Office has reviewed H.R. 968, the Noise Reduction Reimbursement Act of 1989, as ordered reported by the Senate Committee on Commerce, Science and Transportation on June 20, 1989. We estimate that no cost to the federal government or to state or local governments would result from enactment of this legislation.

H.R. 968 would consider costs incurred by airport operators before the execution of grant agreements and as part of airport operators' federally approved noise compatibility programs to be allowable project costs for airport development and planning. Such costs would thus be eligible for federal reimbursement. Generally, airport operators incur costs for airport development and planning projects after the execution of grant agreements. The act would apply only to costs incurred subsequent to June 1, 1989.

Based on information from the Federal Aviation Administration, CBO estimates that enactment of H.R. 968 would result in no additional cost to the federal government. Some airport operators might begin work on noise compatibility projects earlier than under current law, but the portion of their costs covered by federal grants would not be affected. The act would not affect the overall funding levels for airport development and planning.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Mitchell Rosenfeld, who can be reached at 226–2860.

Sincerely,

ROBERT D. REISCHAUER,
Director.

REGULATORY IMPACT STATEMENT

In accordance with paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, the Committee provides the following evaluation of the regulatory impact of the legislation, as reported.

The bill permits the FAA to reimburse eligible airport sponsors through the AIP for federally approved noise abatement projects. The Committee finds there is no additional regulation affecting individuals or businesses as a result of this legislation. There is no economic impact or impact on personal privacy. No increase in the amount of paperwork will result from the enactment of this bill.

SECTION-BY-SECTION ANALYSIS

SECTION 1.—SHORT TITLE

This Act may be cited as the "Noise Reduction Reimbursement Act of 1989."

SECTION 2.—PURPOSES

This section sets forth the purposes of the bill as follows: to enhance the quality of life for citizens living near airports; to allow for prompt implementation of noise recommendations of federally sponsored studies; to provide that scarce Federal funds for noise abatement are used with efficiency; and to provide encouragement for the expenditures of local funds on noise abatement by providing for Federal reimbursement.

SECTION 3.—NOISE CONTROL COSTS INCLUDED AS ALLOWABLE PROJECT COSTS

This section would provide that airport noise abatement costs would be eligible for reimbursement if they are incurred after June 1, 1989, as part of a federally approved noise compatibility program and in accordance with applicable statutory and administrative requirements.

CHANGES IN EXISTING LAW

In compliance with paragraph 12 of rule XXVI of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted

is enclosed in black brackets, new material is printed in italic, existing law in which no change is proposed is shown in roman):

AIRPORT AND AIRWAY IMPROVEMENT ACT OF 1982

Section 513 of that Act

SEC. 513. PROJECT COSTS.

(a) ALLOWABLE PROJECT COSTS.—Except as provided in section 514 of this title, the United States may not pay, or be obligated to pay, from amounts appropriated to carry out the provisions of this title, any portion of a project cost incurred in carrying out a project for airport development or airport planning unless the Secretary has first determined that the cost is allowable. A project cost is allowable if—

(1) * * *

(2)*(A)* it was incurred subsequent to the execution of the grant agreement with respect to the project, and in connection with airport development or airport planning accomplished under the project after the execution of the agreement. However, the allowable costs of a project for airport development may include any necessary costs of formulating the project (including the costs of field surveys and the preparation of plans and specifications, the acquisition of land or interests therein or easements through or other interests in airspace, and any necessary administrative or other incidental costs incurred by the sponsor specifically in connection with the accomplishment of the project for airport development, which would not have been incurred otherwise) which were incurred prior to the execution of the grant agreement and subsequent to May 13, 1946, and the allowable costs of a project for airport planning may include any necessary and direct costs associated with developing the project work scope which were incurred subsequent to May 13, 1946; *or*

(B) it was incurred after June 1, 1989, by the airport operator and before, on or after the execution of the grant agreement and was incurred as part of the airport operator's federally approved airport noise compatibility program (including project formulation costs) and in accordance with all applicable statutory and administrative requirements;

(3) through (4) * * *

(b) through (d) * * *

○